

MINUTES

Citizen's Independent Transportation Trust Budget and Finance Committee Meeting

June 10, 2003
10:00 AM
150 West Flagler Street
Suite 2800
Miami, FL 33128

Meeting called by:

The meeting was called to by Rev. Wilde, Chairman at 10:10 AM

Attendees:

CITT MEMBERS:

Mike Abrams
Marc Buoniconti
John Cosgrove
Thamara Labrousse

OPTM STAFF:

Patty David
Virginia Diaz
Alberto Parjus
Alina Philipp
Patrice Rosemond
Nestor Toledo

COUNTY ATTORNEY:

Bob Cuevas

OTHER ATTENDEES:

Myra Bustamente, MDT
Michelle Brown, MDT
Jose Galan, PWD
Dick Haffele, OMB
Russ Marchner, Dade League of Cities

Agenda topics

ROLL CALL

Patty David

WELCOME & INTRODUCTIONS

Rev. Wilde

APPROVAL OF AGENDA	Rev. Wilde
BUDGET AND FINANCE COMMITTEE OVERVIEW	Rev. Wilde
PRESENTATIONS	Rev. Wilde
DISCUSSION ITEMS	
NEW BUSINESS	
PUBLIC COMMENTS	
ADJOURNMENT	

WELCOME AND INTRODUCCION

Rev. Wilde welcomed and thanked everyone for attending the meeting. He distributed a summary of his introduction remarks. (Attached Agenda Item 1)

APPROVAL OF AGENDA

Rev. Wilde asked for a motion to approve the agenda, the agenda was unanimously approved. (Attached Agenda Item #1)

BUDGET AND FINANCE COMMITTEE OVERVIEW

A. Membership (Attached 4A)

Rev. Wilde reviewed the list of all CITT Subcommittees included in the package.

B. Responsibilities (Attached Item 4B)

Rev. Wilde suggested that the committees should cross reference from time to time to avoid duplication of work.

Mr. Cosgrove commented that the issue of the maintenance of effort of general fund and the limitation of the 5% may belong in the Compliance and Oversight Committee.

Mr. Wilde discussed Budget & Finance responsibilities.

Mr. Abrams emphasized a need for an independent auditor. Rev. Wilde recommended that it would be prudent to assign someone to research the various auditing options available to the Trust. The purpose of the committee is to monitor that the surtax proceeds are being spent on transportation projects, specifically for the PTP.

C. Informational Material (Attached)

Rev. Wilde referred” West’s Florida Statutes Annotated Title XIV. Taxation and Finance Chapter 212. Tax on Sales, Use, and Other Transactions and stated the first two pages are the only ones applicable to the CITT as acknowledged in the ordinance 02-117 as it refers to the FL ST S 212.55.

PRESENTATIONS

Mr. Wilde reviewed the Memorandum dated May 30, 2003 and indicated these were a series of questions directed to OPTM and MDT staff. Danny Alvarez, Executive Director OPTM responses are found on the same memorandum. Mr. Wilde called upon Mr. Alberto Parjus, CFO, and OPTM to explain the budget process. (Attached Agenda Item 5)

A. Office of Public Transportation Management- Alberto Parjus

Mr. Parjus explained that the budget process is the same for every County department. Each department prepares a proposed budget that is presented to the Office of Management and Budget. The proposed budget is then presented to the Board of County Commissioners, which then holds two budget hearings as mandated by the county code and approved before October 1. The County cycle runs from October 1 to Sept 30.

Mr. Cosgrove stated that the ordinance incorporates some of the budget facets of the Peoples Transportation Plan, which has been approved by the citizens of Miami-Dade County. The Trust can modify the plan, however, the BCC can overrule the Trust’s recommendations by a 2/3-majority vote. The budget will be prepared based on projections and it is the Trusts’ responsibility to review it.

Mike Abrams stated our main responsibility is ensuring the half-penny sales tax is being used efficiently and effectively to implement the PTP and the municipalities are fulfilling their responsibilities to the County.

DISCUSSION ITEMS

A. Maintenance of Effort (see attachment 6A)

Rev. Wilde discussed the Maintenance of Effort as it is defined in the Ordinance #02-116 . At the present time the general fund support for MDT is \$111.8 million which should increase every budget cycle because of inflation, projected at a 3% rate. Just the \$111.8 million is required by the Ordinance. However, if an adjustment is not made it will affect the monies projected for the PTP.

A discussion between Abrams and Wilde arose regarding maintenance of effort whether this is policy (BCC) or whether the responsibility of the Trust.

Rev. Wilde asked staff to provide the committee with the current and proposed budget plan.

Mr. Cuevas stated that the county manager submits a proposed budget July 1, 2003 for the county fiscal year. The BCC will hold two budget hearings. On January 1st when the County Manager and Mayor submit their budget that will include surtax money will be the time for the Trust to react to the budget.

Mr. Haffele, Budget Analyst, OMB said it is a difficult year for budgeting because of these various issues relating to OPTM. An example is the division of External Affairs, how much of the work should be done in house versus hiring outside consultants. This decisions need to be considered when preparing the budget. The OMB is working with staff to build a budget.

Rev. Wilde commented that the Budget and Finance committee should respond after the budget has been released. A presentation will be necessary from staff in order for the committee to make recommendations to the Trust for consideration.

Mr. Buoniconti stated if the surtax money for projects goes to the maintenance, then the trust is going to run out of money to carry out the PTP.

Ms. Bustemente said that the county has a financial advisor who will separate the funds as is it relates to the Peoples Transportation Plan and operations of the MDT. The budget will distinguish the funds specifically that are coming directly to the CITT. An example as it relates to buses is you have certain amount of mechanic s however, the administrative costs related to that also needs to be projected.

Mr. Parjus stated that the 21-year plan budget contemplates all of these existing issues. OPTM has a consultant who can validate and update the plan with current information and provide the committee with a copy, which is to be ready by the end of June.

Ms. Labrousse recognized that the information should be given to the Trust in a timely manner in order for the Trust to be able to review the plans and information.

Mr. Buoniconti asked if the 21-year plan contains maintenance of effort.

Mr. Parjus responded the federal government requires that every project must incorporate the maintenance of effort.

B. Long- term Bonding was deferred till next meeting.

C. Independent Auditor

Cosgrove informed the committee that the county's has 3 options: 1) auditing department 2) Commissioner Morales has created an independent auditing office and 3) the county has a pre-approved list of independent auditors from the private sector.

Mr. Abrams advocated the need for a truly independent auditor. He felt if the Trust were to fall under criticism the one thing the Trust could have transparency in would be in obtaining an independent auditors that do not have a conflict of interest with the County.

Ms. Labrousse agreed, that using the county auditors would create a conflict of interest.

Mr. Wilde deferred a decision on an independent auditor until the next meeting and requested that someone visit the auditing options the county provides.

Ms. Labrousse volunteered to investigate the options and will report her findings at the next Budget and Finance meeting.

NEW BUSINESS

A. Additional Comments

Mr. Wilde reviewed and discussed the Maintenance of Effort (attached 6A)

Mr. Wilde and Mr. Abrams discussed the maintenance of effort and the general fund and how that relates to the implementation of the PTP.

Mr. Parjus explained that it has been very difficult for the county to maintain the current level of transportation service without a dedicated source of revenue. One of the ideas generated from the half-penny sales tax was that it would subsidize some of the current services.

Mr. Buoniconti stated that the citizens of Miami-Dade do not know that the proceeds are going to be used to maintain current services. The surtax is suppose to be for future projects

Mr. Wilde stated that the committee does not have consensus on the county's maintenance of effort. The \$111.8 million share is fixed, legally handicapping transportation from its normal political struggle for its share of the funds. It was suppose to be a minimum but it is has already become a maximum.

B. Schedule of Meetings

Next meeting is scheduled for July 22, 2003 10:00 am

ADJOURNMENT

There being no further business the meeting adjourned at 11:45 a.m.

